

## 37 Am. Jur. 2d Fraud and Deceit § 13

American Jurisprudence, Second Edition | May 2021 Update

### Fraud and Deceit

George Blum, J.D., John Bourdeau, J.D., Romualdo P. Eclavea, J.D., Janice Holben, J.D., Karl Oakes, J.D. and Eric C. Surette, J.D.

#### I. Overview

#### B. Nature and Effect

### § 13. Generally; nature—Rationale underlying cause of action

[Topic Summary](#) | [Correlation Table](#) | [References](#)

#### West's Key Number Digest

West's Key Number Digest, [Fraud](#)  1

Torts such as fraud and deceit rest on the notion that the parties should not be able to create an informational advantage through deception.<sup>1</sup> In other words, one guilty of fraud cannot be allowed, by the operation of law, to profit by that fraud.<sup>2</sup> Public policy requires that perpetrators of fraud, like willful slayers, be deprived of the fruits of their wrongdoing.<sup>3</sup>

The law of misrepresentation protects a plaintiff's interest in formulating business judgments without being misled by others into making unwise decisions which result in financial loss.<sup>4</sup>

The policy behind strict responsibility for misrepresentation is that the speaker should know the pertinent facts of which he or she is speaking, or else the speaker should not speak.<sup>5</sup>

© 2021 Thomson Reuters. 33-34B © 2021 Thomson Reuters/RIA. No Claim to Orig. U.S. Govt. Works. All rights reserved.

#### Footnotes

- <sup>1</sup> Woods Farmers Co-op. Elevator Co. v. Z-Mega Farms Ltd. Partnership I, 95 F.3d 693 (8th Cir. 1996).
- <sup>2</sup> Otero v. Jordan Restaurant Enterprises, 1996-NMSC-047, 122 N.M. 187, 922 P.2d 569 (1996).
- <sup>3</sup> Matter of Estate of O'Keefe, 1998 SD 92, 583 N.W.2d 138 (S.D. 1998).
- <sup>4</sup> Carpenter v. Scherer-Mountain Ins. Agency, 135 Ohio App. 3d 316, 733 N.E.2d 1196 (4th Dist. Lawrence County 1999).
- <sup>5</sup> Reda v. Sincaban, 145 Wis. 2d 266, 426 N.W.2d 100 (Ct. App. 1988).

---

End of Document

© 2021 Thomson Reuters. No claim to original U.S. Government Works.